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Development (1952) Department.

MS SERIES.

G.O. NO. 2936

Dated 10-7-1952

[Despatch Abstract.]

Acts and Rules - State Aid to Industries Act

Application from Laxmi Damodhar Agricultural Industries Maddugudde for a loan of Rs. 25,000/ and a grant of Rs. 10,000 cash assistance

Rejected

De artment of Industri s and Co merce
Madras 6.

73257
2.7.52

From
The Director of Industries
and Commerce,
Madras.

To
The Secretary to Government,
Development Department, Fort St. George
Madras.

No.Ba.6201/52, dated 28th June 1952.

Sir,

Sub: State Aid to Industries - Laxmi Damodar Agricultural Industries, Maddugudde - Application for a loan of Rs.25000 and a bank cash credit of Rs.10000/-.

Sri K. Devaraja Nayak, Chief Executive and Attorney, Laxmi Damodar Agricultural Industries, Maddugudde, South Kanara Dt., has applied under the provisions of the Madras State Aid to Industries Act for a loan of Rs.25000 and a bank cash credit of Rs.1000 for discharging the existing liabilities, for purchase of an oil rotary and for use as working capital, for rice hulling, oil milling, jaggery manufacture, flour milling, coffee roasting and saw-mill industries.

A copy of the application together with a copy of the note prepared thereon for the guidance of the Board of Industries is enclosed.

The application was placed before the Board of Industries at its 63rd meeting held at Madras on 20.6.52. An extract of the proceedings of the meeting is also enclosed.

Orders of Government are requested on the application.

Rn.30.6.52.

K.Kammakaran
1.7.52
for Director of Industries and Commerce.

63rd Meeting of the Board of Industries at Madras on 20.6.52.
Extract of Proceedings.

Application from Sri.Devaraja Nayak, Chief Executive and Attorney, Laxmi Damodar Agricultural Industries, Maddugudde, South Kanara district for a loan of Rs.25000 and a bank cash credit of Rs.1000 repayable in eight annual instalments for discharging the existing liabilities of the applicant's concern for purchase of an oil rotary and for use as working capital, for running rice hulling, oil milling, jaggery manufacturing, flour milling, coffee roasting and saw-mill industries.

The applicant who was present was interviewed by the Board of Industries. He explained that now that he has taken over the management from his father he expects to be able to run the concern successfully with the aid of the loan applied for.

The Board of Industries resolved to recommend rejection of the application as being ineligible for aid as per the provisions under section 5(1)(d) of the Act.

NOTE FOR THE BOARD OF INDUSTRIES.

Application from Laxmi Damodar Agricultural Industries, Madduguddc, South Kanara District for a loan of Rs.25,000 and a Bank cash credit of Rs.10,000.

.....

Sri K. Devaraya Nayak, Chief Executive and Attorney, Laxmi Damodar Agricultural Industries, Madduguddc, South Kanara District had applied for a loan of Rs.25,000 and a bank cash credit of Rs.10,000 for discharging the existing liabilities of his concern, for purchase of an oil rotary and for working capital for rice hulling, oil milling, jaggery manufacturing, flour milling, coffee roasting and saw mill industries. The application was considered by the Board of Industries at its 61st meeting held on the 27th March 51 at Madras and the Board resolved to recommend rejection of the application as the Industries for which aid was sought were old and established and as the applicant had adduced no reasons justifying grant of aid to the industries as required by the provisions under Section 5(i)(d) of the Madras State Aid to Industries Act. Government accepted the recommednations of the Board and rejected the application.

On an appeal preferred by the applicant, Government advised him to apply afresh adducing the special reasons, if any, for the grant of the aid sought. The present application has been preferred in consequence.

The present application is also for a loan of Rs.25,000 and a bank cash credit of Rs.10,000 and the applicant proposes to utilise the amounts as follows:

1) for discharging existing liabilities.	Rs.24,000
2) for purchase of an oil rotary	1,000
3) for working capital for rice hulling, oil milling jaggery manufacturing, flour milling, coffee roasting and saw-mill industries.	10,000
Total	35,000

The applicant has urged the following reasons for grant of the aid sought.

1) The funds available with the applicant have been completely exhausted as a result of the mismanagement of the concern by the applicants' father.
2) The applicant has run into heavy debts involving the mortgage of the mill and lands belonging to his family.
3) The applicant proposes to utilise the income derived from the industry for financing his further education.

The realisation of the applicant's proposal last mentioned above however depends on the applicant's ability to manage the enterprise better than his father. The applicant however admits that he is just out of College having completed his Intermediate Examination, and that he has no experience whatsoever in running a business concern.

The views of the Board of Industries are requested on the application.

5

Agricultural Cum Industries Loan.

To
The Govt. of Madras,
Ministry of AGRICULTURE AND
INDUSTRIES.

From: **K. Devaraj Nayak**
Chief Executive and Attorney,
LAXMI DAMODAR AGRICULTURAL
INDUSTRIES, Maddugudde,
Coondapoor, S. K.

Represented through: ***H. E. The Governor of Madras,***
Madras.

Sir,

Sub: Govt. Loan Agricultural Cum Industries Loan for Rs. 35,000/- Govt. Appeal early Executive Sanction requesting:-

Ref: My State aid Loan Application dated 4-10-1950 L. Dis No. S. A. 7682-50 Rejection dated 1-5-51.

I am dating back my experience towards this loan since 1949, March and yet I am still going from Dept. to Dept. The Govt. has made eloberate arrangements for these loans but these are not within the reach of all. I am an example to it. The Industries loan was rejected on 1-5-51 after 1½ years without assigning any reasons. Still with all the courage and perseverence I have once again applied for this direct Govt. loan on higest level. I hope I will get the due hospitality to this.

The Loan is primarily for both the purposes i. e. Agricultural and Industrial Both an dependent upon one and another. If one is running the other one also will run. But during these years the Agricultural economy has gone out of order because of the closure of this mill. Hence the loan is applied.

1. AGRICULTURE: Of our 10-55 Acres of land 4-75 acres are wet lands and the rest dry. Our yearly production is 134 muras of rice and I am going to raise it to 200 murras within the next 3 years. I am trying to dig 2 small tanks for the benefit of 2nd crop and I am trying to raise an additional of 50 murras of Rice during these 3 years. The Agricultural income today is 2544-5-0. In case production is it will come to Rs. 3,750/- under present valuation.

2. INDUSTRIES: As shown in the Shedule the net income will come to Rs. 5500. During this period I am prepared to give Govt. 2 tons of Rice i e. 52 muras of Rice or 2 tons of Paddy Seeds for Agriculture which ever is requested.

I hope and pray that this will have good a response.

A detailed report of the worhing of the Mill since 1945 to September 1950:

The Mill was founded in the years 1945 by my father Sri K. Narasimha Nayak for the primary needs of our Agricultural enterprise. Though originally it was put on a small scale, it was expanded for the growing demands of the situation. Soon after the introduction of the rice control and the Government system of planned milling, under Government control we installed a rice mill.

For the growing demands of the oil crushing Industries an oil rotary was added in 1945. Both worked satisfactorily up to 1947. The whole work being seasonal beginning from October to April it did not give us the expected relief. The power engine was so small and it was found quite inconvenient to do both things at one time. So, we put our customers to a great inconvenience. To satisfy the customers, that being our trada tion, we purchased an 17 B. H. P. Oil engine. The engine which was driven from high-speed Diesel oil was not put to immediate use for non availability of oil in the market. we are put to a high loss.

We are the poineers in rice and oil crushing in Coondapoor and we did a yeoman service to the agriculturists. We made them self-conscious about economic conditions surrounding them and from 1945 onwards we are crushing at about 1,000 maunds of oil

from the agriculturists. So many have gained from our initiative. We have shown them the art of marketing by contacting them tothe actual consumers. In this connection our model farm has done a good amount of service to the agriculturists. Our way of pumping water tothe fields, our nursery farms, our cocoanut plantations have made so many people conscious of improvements and all additions of water pumps oil engines are but our self-induction in Coondapoor Taluk, the credit of which must fall to our share.

These are the silent achievements of our post-war reconstruction. Our next improvement goes to show the service we are rendering to the agriculturists. In 1948 a saw-bench was added to our Mill to make the work "Whole year". It did not give us the expected relief. In 1949 an additional service to the agriculturists was guaranteed by installing a sugarcane crushing machine, a system of sientific jaggery manufacture. The customers showed a keen interest and the whole year of 1948 was taken as an experimental one. The people are not machine minded and we serviced them on a cheep basis. We are the pioneers in this fieled in our taluk and our art of processing is being praised by the Superintendent of Govt. farms Coimbatore, and the Agricultural Sugarcane Demonstrator Coondapoor. For advertisement at this experimental stage we have led to face a severe loss.

CAUSES OF DETERIORATION: Several worth mentioning points made it difficult for us to run the Mill smoothly. Mismanagement stood first in the way of our smooth running of the Mill. Being strangers in the field the lackness in the management aggravated our position. People began to blackmail against us for paltry reasons because of which we could not take people into confidence and we became void of public sympathy.

The businessmen tried their level best in blackmailing our products. We did not find if possible to surmount the obstacle. This is really proved to be a hindrance to our progress. They added their edible oils with cheep oils by way of adulteration and tried to market their own products at cheaper rate. Because of the competition we are forced to wind up our business which was then at its infancy. So, the benefit of real trade was deprived to us. The matter was referred to the Chambers of Commerce and lastly to the Collector of South Kanara, but no action has been found to be taken by them. This is the period for the survival of the fittest and to overcome these obstacles Government must come to our rescue. Finance has proved to be a bottle-neck to our enterprise and this short-coming cannot be replaced by artificial means. Unless and until a long-term-loan is secured it is difficult to accomplish a stable economic environment. Planned schemes and work-outs are the prime necessities of the day. We are lacking in that respect. This has accelerated our deterioration in moneys. Planned schems if elaborately worked out will surely give fat dividends. The businessmen in colaboration with the local officials have tried to give us trouble as far as possible and there an a few instances where we are at the risk of losing our licence and some privileges at the hands of the local officials, but for the timely intervention of the Collector of South Kanara we are relieved. There are so many instances where we have been humiliated and have been surrendered to the local officials for their party feelings. The businessmen have reaped a good dividend in playing their tricks. This is a legacyleft behind it after these 4 or 5 years of transition. We are at the beginning or the end of deterioration and the only thing left to us is to cling to the Government support of perish. But before being perished, I would like to put forward these facts with all the solemnity and sincerity before the Government and requesting for a loan under these difficult period of depression to revitalise our concern. Some special features have been affiliated and so many things are to be done primarily depending upon this would be "favours".

SPECIAL FEATURES: The concern was started in the year 1945 when I was in the College in Mangalore. I passed my Inter of the Madras University in 1947. During the period because of my young age I did not take any interest in the concern. Naturally

my father took the advice of so many people which proved to be fateful in the end, mortgaged all the properties and invested the amount in the Mill. Each year was thought to be a promising one proved to be a fateful in the last. We are being led to believe the coming year to be a successful one. Hence the concern was managed and was running at a loss. In 1947 to our surprise our finances was dried and we have no other alternative. Soon after my education in 1947 I was forced to remain inside, contrary to my wish though it materialised, for I did not get a seet in the engineering College. So, I was forced to look at the affairs of the Mill although reluctantly. For the successive four years I did not get a seat in the College. Hence, concrete obstacles were placed on the way of my education and I being mature enough to look at things for myself I have come to these conclusions. But to be surprised I saw that all our properties have been mortgaged for the sake of the Mill and everything was in a fix. Being young enough I could not draw plans nor effectively manage the Mill. With an empty account I did not prove to be a good manager. In 1949 December 7, I took the power of attorney from my father and I took all the powers and became the first Chief Executive and attorney barely at the age of 21. By taking some hand loans from my well-wishers and relatives I managed to run the Mill from 1947 to September 1950. Now I have become helpless and the state of affairs have been worsened. I have evolved an elaborate plan to reorganise the Mill on a sound footing for which I am applying for a loan to the Government. I will be sympathised for my state of affairs and I hope I will receive a sympathetic hearing in the hands of the Government. For I am placed at the mercy of the Government of Madras in these hard days of the syrvival of the fittest.

The only difficulty was the maintenance of accounts as such no provision has been made from the Balance Sheets They have not maintained any proper accounts from the beginning to the end. Therefore I am taking the officials into my confidence before giving these facts. In my opinion preparing a balance sheet of the previous year when there was no proper accounts is nothing but impossible and defective. So, I will request yon, Sir to believe to my facts sincerely and I will assure you of my highest regards and sincerity to the Government. So, I will request you to believe me in every word of my statements lest it will prove fatal to my ambition and shorten it.

Under these circumstances, I am requesting the Government of Madras Industries Dept., for a long-range loan of Rs. 35,000/- of 2 different natures. The one is for Rs. 25,000/- paid in 8 equal yearly instalments of Rs. 3,125/- and the other being for a Bank Cash Credit for Rs. 10,000/- for a period of 8 years at a low rate of interest. In view of our poor economic stability and poor resources, a low rate of interest will help to a great extent in consolidating our economic stability. The Bank's Cash Credit for Rs. 10,000/- will be in force for 8 years and at the end of it I am sure I am paying all my dues to the Government abiding by the restrictions imposed upon me. Sticking to any severe conditions I am prepared to undertake the loan.

THE AIMS AND OBJECTIVES: The main object of the loan is to stabilise our economic conditions and to draw out correct full-scale plans and to maximise the output and to minimise the maintenance. Every possible precaution will be taken to see that nothing is spent on new undertakings but to work out effectively on the old machinery with some alternations. Pains will be taken to see more will be done and to run the Mill on a yearly basis. All useful suggestiont will be taken from the Government or from the Statutory bodies in respect of improvments and new undertakings will be started on sound advice and lay-out plans.

Provision will be made for good accounts and effective management will be ensured Good advestaisment will be made and full facilities will be given to market the agricultural products and to foster closer relations between the Governmbnt and the agriculturists. Farming will be popularised and active advice will be given to the needy. No restrictions or discrimination will be allowed in the Mill. Possible facilities will be

given to the cottage industries and especially in the rainy reason work will be given to the cottage Industries keeping in view of our financial soundness. Pains will be taken to take people into confidence and to evolve better relations between the producers and the manufacturers and lastly I am trying to get the best education out of these profit pools and provision will be made for them.

Every year a clean budget will be drawn and all items will be considered at a par with the Government's policy subject to the confirmation of the Director of Industries. I want to make this Mill an ideal one and every year a portion of the amount will be utilised for my education and reserve fund. I am trying to work out these plans with the aid of my brothers one is younger and the other is elder, both less educated than me.

During the course of this period I am managing this Mill personally or manage it through my brothers with full day-to-day instructions from me. My future education is depending upon the materialisation of this scheme. My would be education will be Bar-at-Law or any other course I like best. I am undertaking this serious job under great strain knowing before hand my weaknesses and limitations. I am undertaking this venture to our own existence, otherwise we will have an economic breakdown and we will perish, ultimately, and will meet an unnatural death.

I am justified in expressing my sincere hopes and aims and ambitions to the Government with full of forward looking thoughts and any humiliation will be received with great agony. Because of the economic policy of the Government and consequently of of the Reserve Bank of India, no Banks are advancing loans unless through the recommendation of Government. Under these circumstances I am forwarding this loan application to the Government. So, I am requesting to expedite the matter lest we fall rapidly by financial breakdown and our business collapse. The Mill is mortgaged to the Canara Banking Corporation Udipi for Rs. 6,000/- and all the cash memos and the documents are with them. After the preliminary is over and as soon as I hear the information from you I am sending you all the required documents with the title deeds and other allied things.

Myself being a young man of 23 I should be humbly excused if I am wrong in the way of handling the matter and I may be humbly excused and further advised in the matter. The paper should be carefully gone through and any doubts if exist, I am prepared to extend to you either written or by personal address. A chance should be given to me to address the August body while in Session. I am prepared to argue my case personally and I hope I am prepared to answer all the questions put to me by the members.

So, I request you, Sir, to consider this from all perspectives and to give me a cordial hearing for my loan application. Though it has some demerits I hope the authorities will let loose me with a note of warning and allow my dreams of youth to materialise. If loan is passed the instalments will be paid to the Government at the appointed date and on no occasion any excuses will be put forward by me, Any serious conditions will be undertaken regarding the prompt payment of the instalment.

FORM OF APPLICATION FOR AID UNDER THE STATE AID TO INDUSTRIES ACT, 19 2

(Madras Act No. V of 1923.)

(For instructions for filing up the form vide appendix)

1. *Name of the applicant and his full address*:

K. DEVARAJA NAYAK,
Chief Executive and attorney,
Laxmi Damodar Agricultural Industries,
Maddugudde, Post, Coondapoor, S. Kanara.

2. *Nature of the Industrial concern for which aid is sought*:

(i) Description of the goods manufactured:
Rice, Oil, Sawing, Jaggery, Flour and Coffe:powder.

(ii) Capital invested:
Rs. 30,000/- (Thirty thousand only).
Fixed: Rs. 25,000/- (Twentyfive thousand only).
Working Capital: Rs. 5000/- (Five thousand only).

(iii) Goods manufactured:

No.	Goods manufactured	Seasonal	Production	Remorks.
1.	Rice	do	100 muras per day nearly 12,000 muras of rice per season.	Subject to availability of work these items of work can be turned out per season or per year as the case may be Generally we do not get any work nor can produce anything for lack of funds. If work is guaranteed more work can be done by maximising the production by anhancing the working hours without any harm to the machinery. This is the average capacity of production. This can be maximised by 24 per cent of the work of production, without undue troubles of risk
2.	Oil	do can be made whole year	75 tons of copra can be crushed per year.	
3.	Sawing	do	3,000 cu.ft. per year	
4.	Jaggery	Seasonal	120 tons of jaggery every year.	
5.	Flour	Seasonal	50 tons of flour every year.	
6.	Coffee-powder.	Whole year	3 tons per year.	

(iv) Balance Sheets:
No. Balance Sheet and profit and loss accounts are not possible to send. Reasons I nave given in these adjoining papers. Since these four years no business is being done. But it was worked on a hire basis. We have secured a gross profit of Rs. 2,500/- which is being fonnd impossible to maintain the Mill. The working of the Mill being a seasonal one we have to maintain workers on a yearly basis and the additional 6 months' maintenance makes us to bear a loss to the extent of Rs. 2,000/- which has been borne for the last 5 years. In the coming year business and profit is guaranted and the correct balance sheet and the profit and loss accounts will be sent to the Government audited by a certified auditor to the satisfaction of the Director of Industries.

3. The administrative, technical and executive staff existing or to be appointed with qualifications:

	Category:	Existing:	To be appointed
(i)	Administrative	2 My father & a paid one.	One*
(ii)	Technical	2 My 2 brothers.	Nil.
(iii)	Executive	1 Myself.	Nil.

*What this denotes is appointing administrative man is such having business experience of ten years to his credit and having a noble character and good behaviour, on a salary fixed by the Government.

4. The facilities available for the development of the Industry:

and 5. The nature of the processes to be employed:

No.	Goods manufactured.	Sources of Raw Materials.	Transport facilities.	Estimated and anticipated profits.	Nature of the processes to be employed,	Market
1.	Rice.	Paddy: Local.	River & road.	Rs. 2000/-	Huller-type	Local.

10/

2.	Oil	Copra: Local, Mangalore & Calicut.	do	Rs. 3000/-	Rotary	Local & Mysore State.
3.	Sawing	Timber: Local Forest Dept.	do	Rs. 2,000/-	Saw-bench.	Local & Mangalore.
4.	Jaggery	Sugarcane: Local.	do	Rs. 2,500/-	Cane-crusher.	Local & Porbander.
5.	Flour	Grams Local	do	Rs. 1,000/-	Grinder	Local.
6.	Coffee powder	Coffee: Mangalore	do	Rs.1,000/-	Grinder	Local.

N. B. Transport facilities as follows: Road Long distance by lorry; short distance by bullock carts. Sea and river by country-crafts. This chart is one of anticipation..We have not yet done like this but I am hopeful and guaranteeing businss if loan is passed, subject to the satisfaction of the director of industries.

6. Details of plant and machinery installed or proposed to be installed at the works:

No.	Name of the machine or manufacturer's name and address equipment and size.		Date of purchase & cost	Condition: New or second-hand
1.	Huller No. 1, 1 polisher, Pulleys with blowers & some country-made spare parts and husk-exhaust pipes.	Botibhoi & Co., Coimbatore.	6-12-47 Rs. 1,200/-	2nd hand.
2.	a) Oil rotary.maximum size.	Navagiri-Oil Rotaries, Machinery Merchants, Bombay 4.	9-3-44 Rs. 1,200/-	do
	b) Copra-cutter	Local.	3 1-48 Rs. 400/-	New
3.	All cast-iron saw-bench with 4x2-½ft plating with stands and with a new local saw-sharpener and 5 blades with all fittings.	Dandekar's, Machinery Merchants, Satara.	2-10-48 Rs. 1,000/-	New.
4.	Cane-Crusher big size with all fittings.	Burn & Co., Howrah Calcutta.	11-10-49 Rs. 1,200/-	2nd hand.
5.	Allied boiling pans with store tanks pipes and forks.	Local country-made	Nov. '49. Rs. 700/-	New.
6.	Flour Grinder with all fittings.	Dandekar's, Satara.	9-4-48 Rs. 400/-	2nd hand.
7.	Coffee Roaster with grinder.	Botlibhoi & Co., Coimbatore.	10-6-50 Rs. 125/-	2nd hand.
8.	17-19 B. H. P. with 1" water pump and all fittings	Blackston & Co., Bombay.	9-10-47 Rs. 3,400/-	2nd hand.
9.	2-½" dia. shaft of 18ft and 4, 2-½" beaeings and 3 cast iron pulleys and one 14" fast and loose pulley.	Belgian make and local.	15-1-48 Rs. 760/-	2nd hand
10.	1" piston pnmp	English make	20-9-50 Rs. 250/-	New.
11.	Spare parts water tank - 2 - 100 gals capacity with 100 ft. galvanised pipes and 60 zinc sheets, 2 paddy boiling boilors and tools and a consignment of Rs. 400/- spare parts.	Local and also Batlibhoi & Co., Coimbatore.	Rs. 1,500/-	Some new & some old.

NOTE ON MACHINERY: When we were quite new to the world of machinery our new purchases made us suffer a heavy loss. We had the notion in general that the machinery was a costly affair and there are a few instances where we have paid Rs. 100/- for foundation bolts owing to iron scarcity. The machinery was purchased at a heavy cost than the prices prevalling in the market. Being new and unable to get the machinery from the direct importers we were put to a severe loss. Nobody has given us the correct memos, only on blank papere purposly to evade income-tax and sales tax. So, I will request you, Sir to believe me in what I am saying and help us in the matter in consolidating our position. In view of my young age and the context iu which I am placed will really move the Members to a considerable extent and I hope I wiil be treated sympathetically looking to my miserable position.

6. (b) Machinery proposed to be installed:

1. Oil Rotary is to be installed within a short period from any well-known makers, preferably a new one at an estimated cost of Rs. 1000/- (If more paddy is given to us for milling paddy separator will be purchased at a rough cost of Rs. 1800/-.

After depending upon the business trend and the money-market a proposal has been made for a tile factory at an estimated cost of Rs. 40,000/- on a ten year basis making a provision for the amount in the yearly profits beginning from 1951 onwards. It will take shape probably in September 1953. A capital amount of Rs. 4000/- will be invested on pug-mill and stamp-press, and another loan of Rs. 10,000/- will be raised for additional maintenance and working capital subject to the confirmation of the Director of Industries.

7. (a) Estimated cost of undertaking and probable time that will be occupied in its execution. (Details of recurring and non-recurring expenditure should be furnished seperately):

(i) Estimated non-recurring expenditure:

Particulars	Already incurred	Proposed to be incurred	Total
1. Land	Rs. 6,000/-	Rs. 1,000/-	Rs. 7,000/-
2. Buildings	Rs. 10,000/-	Rs. 1,000/-	Rs. 11,000/-
3. Machinery & Equipment	Rs. 12,130/-	Rs. 1,500/-	Rs. 13,630/-
4. Installations	Rs. 3,000/-	Rs. 500/-	Rs. 3,500/-
(TOTAL)	Rs. 31,130/-	Rs. 4,000/-	Rs. 35,130/-

Note: For mere repairs and for an engine room we have spent Rs. 10,000/-. The actual cost of the mill and the house now costs about Rs. 30,000/- according to present conditions.

7. (b) Estimated recuring expenditure per annum after the additions proposed above have been made:

1. Raw Materials and Stores			Rs. 1,000 0 0
2. Power and Fuel			Rs. 2,000 0 0
3. Labour			Rs. 3,000 0 0
4. Overheads			
Rent for Building	Rs. 100 0 0		
Expenses for management	Rs. 2000 0 0		
Advertisement	Rs. 200 0 0		
Interest on loans	Rs. 1500 0 0		
Depreciation	Rs. 1500 0 0		Rs. 5,300 0 0
		TOTAL	Rs. 11,800 0 0

Note: In case of unforseen circumstances we are prepared to forego the management expediture and first provision will be made for the debts and instalments owed to the Government.

12

8. Aproximate number of operativse employed or to be employed:
   Already employed: 3 men, to be employed 1.

9. Estimated net expenditure per annum in running the works:

Present expenditure:	Rs. 6,000/.
After loan is passed:	Rs. 11,800/-

10. Estimated net profits according:

Proforma Profit & Loss Accoout

	Income	Rs	As	Ps	Expenditure	Rs	As	Ps
1.	Rice Hulling wages	2,000	0	0	Raw materials	1,000	0	0
2.	Cocoanut Oil	7,000	0	0	Power aud Fuel	2,000	0	0
3.	Jaggery (wages)	2,500	0	0	Labour	3,500	0	0
4.	Sawing	2,000	0	0	Rent	100	0	0
5.	Flour	1,000	0	0	Management	2,000	0	0
6.	Coffee Powder	1,000	0	0	Interest on loans	1,500	0	0
7.	By hirect business & on comm.	2,000	0	0	Depreciation	1,500	0	0
					Advertisment	200	0	0
					Sundries	200	0	0
		17,500	0	0		12,000	0	0

showing a net profit of Rs. 5,500/-. Less first instalment 3,125, rupees 1,375 nett. If business is done carefully in the open market I am sure a get profit of 4% can be guaranteed on the total turnover of business.

11. Reasons why the business cannot be financed without State assistance:

If the loan for Rs. 25,000/- is passed the amount may be utilised as follows:

1.	Discharging the existing liabilities on land given as collateral security.	Rs. 6000	0	0
2.	Discharging the Bank's liability on the Mill given as security.	Rs. 6,000	0	0
3.	discharge personal liability i. e., pronotes aod personal loans.	Rs. 11,000	0	0
4.	To pay off any arrears in suspense, if any	Rs. 1,000	0	0
5.	In respect of purchasing the propesed machinery and its installations.	Rs. 1,000	0	0
		Rs. 25,000	0	0

Another Rs. 10,000/- secured by way of Bank Cash Credit will be utilised for business as working capital.

12. Nature extent of State aid applied for:

The particular clause of section 6 nnder which theaid is applied for should be stated. Sec. 6. "a" and "b" i. e.

A long term lon of Rs. 25,000/- and a Bank Cash Credit for Rs. 10,000/- as working Capital for the duration by 8 years. The amount of Rs. 25,000/- will be given by 8 yearly enstalments of Rs. 3,125/- execlusive of interest. The loan should be on cheep rate of interest and the liability will be discharged by 8 years. During this period of 8 years we should be given a Bank Cash Credit for Rs. 10,000/- in force for 8 years and after that period we are going to discharge the liability of both the Government and the Bank.

13. Discription of the property and the Mill offered as Security Plot No. 1 Mill. No. 2 to No. 11 Property enjoying all the Rights Self Cultivator- old Mulgeni.

Plot No.	S. No	Kisam	Extent	Assesment	Cocoanuts	Cash in Rs.	Rice	Rent payable to the land-lord by cash rice.	Net Rs.
I	208	1 Garden	0 69	4 2 0	1000	Nil.	5 muras	Rs. 12-0-0	208-0-0
	208	3 ,,	0 10	0 11 0					
II	212	6 Dry	0 76	3 13 0				No land-lord	
	212	7 Wet	0 16	0 8 0	Nil.	10-6-0	20 muras	Assesment paying	
	212	11 Dry	0 18	0 4 0				4-9-0	286-0-0
III	209	3 Wet	2 69	18 5 0					
	209	5 ,,	0 27	1 13 0					
	209	2 ,,	1 13	7 10 0	1000	Nil.	72 muras	12 muras and	978 0 0
	209	4 ,,	0 25	1 11 0				Rs. 12/-	
	209	6 ,,	0 36	2 7 0					
IV	211	10 Garden	0 75	3 0 0	Nil.	Nil.	6 muras	7-0-0	77 0 0
V	205	5 ,,	0 23½	1 14 0					
	205	12 Wet	0 18½	1 2 0	500	Nil.	10 muras	22-12-0	192 4 0
	205	2 Garden	0 20	1 13 0					
	205	11 Wet	0 30	0 3 0					
VI	207	1 Garden	0 25	2 0 0					
	207	2 Wet	0 35	2 6 0	2000	Nil.	5 muras	21-5-0	353 11 0
	208	9 Garden	0 23	1 9 0					
VII	209	7 Wet	0 40	2 6 0	Nil.	Nil.	6 muras	7-0-0	77 0 0
	209	8 Wet	0 10	0 9 3					
VIII	212	8 Garden	0 21	1 4 0	1000	Nil.	Nil.	1-4-0	148 12 0
IX	212	9 Dry	0 33	0 5 0					
	212	12. Dry	0 16	0 3 0	Nil.	Nil.	10 muras	4 muras	84 0 0
X	211	6 Garden	0 18	1 8 0	Nil.	48-0-0	Nil.	4-12-0	43 4 0
IX	211	4 Garden	0 58	4 10 0	1000	Nil.	Nil.	4-10-0	145 6 0
		Total	10 55	68 12 0	6500	58-6-0	134 muras	16 muras & 57-4-0 by cash	2544 5 0

Net Income Rs. 2544-5-0

Plots No. 1, 2, 8 and 11 all Patta properties and the Rest old Moolgeni properties enjoying all the Rights. Self cultivaters. All properties under self Control and self acquisition.

PROPERTY INCOME.

Our Income: 6500 cocoanuts 134 muras of Rice and Rs. 58-6-0 by cash valuation is made by current Rate as 14 Rs. for 1 mura of Rice and Rs. 20 for 100 cocoanuts. Valuation made as Rs. 15 per 100. making our allowance of Rs. 5 towards depreciation and about Rile there will be no reduction of rate for the next 5 years. It coms to Rs.2544-0-0.

The rent we have to pay to the land lord: 16 muras of Rice and 57-4-0 by cash valued about 281-4-0. Actual Assesment to be paid by the land lord 68-12-0 The net profit land lord is accuring Rs. 212-8-0. If valued at 6% the right of his ownership costs Rs. 3500/- which is quit difficult to purchase now as he is not willing to give.

Note 1. The Income is shown as 134 muras of Rice net and Rs. 58-10-6 and 6500 cocoanuts. We have got two other crops of Black gram, horse gram and green gram which will fetch us 60 muras. It is quite sufficients for our maintenance and working cost and labour. Most of the work is done by us. Yearly we are selling about 350 Rs. worth of strow to the Public which is quite enough to meet the seasonal labour.

14

Note 2: The amount we pay to tne land lord is 16 muras of Rice and 57-4-0. The land lord is Sri Nagar Vaman Rao who is a big Zamindar. We are his old land holders having a standing of 13 years. He is unwilling to our request for autright sale of his rights to us from repeatcd requests. If pressed he says as the rate of 3% return which is quite high at the market rate. It is the declared policy of the Govt. that they are doing all the favourable legislations to the betterment of the Agriculturists. So we are not purchasing his rights.

Note 3: Tne properties I am mentioning is situated in such a position, wherein river is surounding it. It has road passing through it. The shipping dock is qute another side of the river only 3 Furlongs from our dock. It is is considered to be an ideal place for heavy Industries with all the Modern facilitibs i. e., labour water, Road, Sea and River and lastly ample space for improvements and extentions, compact block of 10 acres and 55 cents wherein we have our Mill, House, and farms.

VALUATION OF SECURITY.

Net value of the buildings:

1. Mill, DWElling house, Jaggery manufacturing shed with machinery	Rs.	35,000	0	0
Site Value es Mill and plot XI and IV	Rs.	20,000	0	0
2. Income herived from No. 1 to 11 offered as security Rs. 2,331-13-0 per annum valution by 6%	Rs.	38,875	0	0
(Note 3) Cost of site value in respect of item 4 1 to 11	Rs.	6,000	0	0
TOTAL.	Rs.	99,875	0	0

This is the approximate valuation of the security offered. This is exclusive of goodwill and other previlages.

The Mill: The mill is facing to the sea in such a way that in front the road is terminated. On both sides of the Mill we will get the road river and the sea, an ideal mill for improvements with full of adjoining sites for developments. The Mill is 84 ft long 45 ft broad and having a peak height of 40 ft. The Mill is built on stone, cement and conerete.

House: The residential house is 50 ft long 30 ft broad and having a Jaggery preparation Shed: It is 30 ft long 20 ft braod and inside of it modern multipurposes furnace has been built at an estimated cost of Rs. 1700/- recently having 18 ft Chimney.

DESCRIPTION OF BUILDING

14. Nature and extent of applicant's right in the concern whether as co-sharer or proprietor or otherwise and his finencial resources: As the Chief Executive and Attorney and 3rd son to my father in succession and as a true heir to the estate and lastly as a manager of the family.

15. Nature and extent of the applicant's right to the property offered as security: Third son to my father and legal heir to the property and as the manager of the family.

16. Nature and extent of encumbrances on the immovable property offered as security primary or collaternal:

Rupees 6,000/- on the mill offered as security and Rs. 6,000/- on the property as collateral security.

17. Whether any arrears are due on the immoveable property offered as security primary or collateral and if so, the nature and extent of such arears: There may be some arrears, and I am sure it may not be more than Rs. 900/-. If loan is passed every clean receipts will be sent to the office for examintion.

18. Period within which and the number of instalments in which the applicant proposes to repay the loan:

Eight equal yearly instalments of Rs. 3125/- exclusive of interest.

19. Approximate additional net income expected to be earned as a result of the proposed expenditure:

Additional in-come expected to be earned as a result of the proposed experditure being Rs. 5,500/-.

20. If the application is from a Joint Stock Company the amount of capital actually subscribed and paid up and the number of shares held by each of the Directors and their salary and fees and other perquisites should be stated: Proprietory concern.

21. Any other remarks:

The Govt. of Madras in particular and all the Depts. are requested to go through my loan application with due understanding about the background I have annexed herein. Being Just 23 of age I am not a mature man to be flawless being known about my weaknesses and limitations I have ventured in applying for this loan. The relative papers may be sent on due information. After receipt of information encumbrances certicate with title deeds and certificates may be sent. I shall be sympathised for my position and further I may be given a chanc to address the Ministers personally. Expecting the deserved favour from the Government of Madras Industries Dept & Agricultural Dept.

DECLARATION: I, Kallianpur Devaraja Nayak son of K. Narasimha Nayak Chief Executive and Attorney of the abovesaid Mill declare that the statements made above are true to the best of my information and belief.

COONDAPOOR.
20-2-52.

(Sd.) ***K Devaraj Nayak,***
Chief Excutive and Attorney.

Copy to

1. The Governer of Madras, H. H. the Maharaja of Bhavanagar or Honble Sri Prakash
2. All Cabinet Ministers of the present care taker Govt.
3. The Director of Industries and Agriculture.
4. The Board of Revenue, Commissioner of civil supplies Food Prejuduction.
5. The state Planning Commission.
6. District Collector, Revenue Divisional officer Mangalore and Coondapoor.
7. Secretary, Devolopment Dept, Industries Dept, Economic Adviser, Finance Secretary, Agricultural Secretary, Food Secretary.

11/11/52

Issue Rom 10.7.52

DEVELOPMENT DEPARTMENT.

SUB: ACTS AND RULES - State Aid to Industries Act - Application from Laxmi Damodar Agricultural Industries, Maddugudde for a loan of Rs. 25,000/- and a bank cash credit of Rs.10,000/- Rejected.

Read again: GoMS. 1745, Dev. 17-4-1951

Read the ~~following~~ also: From the D.I & C. No. S A.3201/52 d/28.6.52

ORDER MS.NO. 2936 DATED 6.7.52

The Board of Industries having declined to recommend the application from Sri K. Devaraj Nayak, Chief Executive and Attorney, Laxmi Damodar Agricultural Industries, Maddugudde for state aid, the application is rejected under Section 8(5) of the Madras State Aid to Industries Act of 1922 (Madras Act V of 1923).

7.7.52

8/7/52

To the D.I.&C.

Endt. X.N. Dis. No. 26512

Governor's Secretariat,
Raj Bhavan, Goa

Dated: 7.7.52

UNDER SECRETARY
DEVELOPMENT DEPT.
U [illegible] 1952

Transferred to the Secretary to Government, Development Department, Madras 9, for disposal. The communication has been acknowledged.

(By order of H.E. the Governor)

SECRETARY TO H.E. THE GOVERNOR.

21 B2

SECRETARIAT TO THE GOVERNOR
28 JUN 1952
MADRAS

His Excellency Sri Prakash,
Governor of Madras
Madras.

Your Excellency,

Sub: Govt. Development Loan for Rs 35,000/-

pp 29-31 (E) Ref: My Request for your Excellency's intervention dtd. 4.3.
pp 3-6 of (W) — : My request for your Excellency's intervention dtd. 4.4.5
Letter 50744 : Industries Board's rejection of application on the
D II 152 meeting dtd. 20.6.1952. I say
10 s 2

It is with regret, I could not get your Excellency's intervention for my repeated requests. In both times in March 4th and April 4th my application was directed to the Development Dept. As per the latter direction it was placed on the Industries Board. The Board rejected the applicati
In this connection I beg to state, I was once again humiliated in the Board, the exact nature I do not want to disclose for fear of victimisation.

So I once again draw your Excellency's intervention in the matter and to go into the matter and to do the needful by asking for a report from the Director of Agriculture, Revenue Board, and the Indus this Dept. in turn and if found genuine, try to give me a loan for Rs 35,000 from the Agricultural side or from G.M.F. or Takkavi or any other loan beneficial to me at once early and protect. death and obliger. I came here on 29 February from home and I am going home to-morrow with full of frustration and an attack of fever. Early sanction in the matter help us against loss of prestige, collapse and economic breakdown
Thanking you in anticipation.

With Respects,
Yours Excellency
K. Diwaraj Nayak

Madras 3
25.6.52 3.

25/6. P.T.O.

765 77 D II /52

Dev (D II) Dept.

U.S.

The letter from Sri K. Devaraj Nayak - on p.3 above may be perused. The application of Sri Nayak for a loan of Rs. 25,000/- and a bank cash credit of Rs. 10,000/- has been rejected by Govt as the Board of Industries has ~~not~~ recommended the rejection of the application as being ineligible for aid under section 5 (1) (d) of the State Aid to Industries Act. No action seems therefore called for on this. The papers may be lodged and added to GoMS. 2936, Dev. d/ 10.7.52.

Go under issue

Go under issue

(Not put up)

p 4 of the Act

11.7.52

12/7/52

12 7 52

Of late I have been given to understand that the Board Meetings files are sent to the Govt. for Sanction and final orders. In this connection I beg to state that any application for loan should be sanctioned irrespective of the Boards recommendations. In the Board nobody has objected any loan application and even Mr. Naidu, from Coimbatore, Mr. Shashachalam, Mr. Ranganath Punja, Mr. Stephenson and finally Mr. Natarajan and Mr. J.C. Ryan have given their consent when they were asked to comment. They simply told that such schemes should be recommended.

So I come from the Board with full of joy and accordingly I have sent my ~~Letter~~ to my father. So in this connection I beg to state that I have no other alternation to apply than this. In case if I fail I have already sent an application along with this. I am trying with the Govt. to the last, to meet justice to my case. I am leaving home today by Mangalore Mail. Any correspondences in the matter may kindly be addressed to my home address.

Thanking you in anticipation.

Awaiting your favourable Sanction.

I beg to Remain your Excellency's Ever Faithful

K. Divakar Nayak

Madras
27.6.52

27/6/52

7 25

Agricultural-Cum Industries Loan.

To
The Govt. of Madras,
Ministry of AGRICULTURE AND INDUSTRIES.

From: **K. Devaraj Nayak**
Chief Executive and Attorney,
LAXMI DAMODAR AGRICULTURAL INDUSTRIES; Maddugudde,
Coondapoor, S. K.

Represented through: ***H. E. The Governor of Madras, Madras.***

Sir,

Sub: Govt. Loan Agricultural Cum Industries Loan for Rs. 35,000/- Govt. Appeal early Executive Sanction requesting:-

Ref: My State aid Loan Application dated 4-10-1950 L. Dis No. S. A. 7682-50 Rejection dated 1-5-51.

I am dating back my experience towards this loan since 1949, March and yet I am still going from Dept. to Dept. The Govt. has made eloberate arrangements for these loans but these are not within the reach of all. I am an example to it. The Industries loan was rejected on 1-5-51 after 1½ years without assigning any reasons. Still with all the courage and perseverence I have once again applied for this direct Govt. loan on higest level. I hope I will get the due hospitality to this.

The Loan is primarily for both the purposes i. e. Agricultural and Industrial Both an dependent upon one and another. If one is running the other one also will run. But during these years the Agricultural economy has gone out of order because of the closure of this mill. Hence the loan is applied.

1. AGRICULTURE: Of our 10-55 Acres of land 4-75 acres are wet lands and the rest dry. Our yearly production is 134 muras of rice and I am going to raise it to 200 murras within the next 3 years. I am trying to dig 2 small tanks for the benefit of 2nd crop and I am trying to raise an additional of 50 murras of Rice during these 3 years. The Agricultural income today is 2544-5-0. In case production is it will come to Rs. 3,750/- under present valuation.

2. INDUSTRIES: As shown in the Shedule the net income will come to Rs. 5500. During this period I am prepared to give Govt. 2 tons of Rice i e. 52 muras of Rice or 2 tons of Paddy Seeds for Agriculture which ever is requested.

I hope and pray that this will have good a response.

A detailed report of the working of the Mill since 1945 to September 1950:

The Mill was founded in the years 1945 by my father Sri K. Narasimha Nayak for the primary needs of our Agricultural enterprise. Though originally it was put on a small scale, it was expanded for the growing demands of the situation. Soon after the introduction of the rice control and the Government system of planned milling, under Government control we installed a rice mill.

For the growing demands of the oil crushing Industries an oil rotary was added in 1945. Both worked satisfactorily up to 1947. The whole work being seasonal beginning from October to April it did not give us the expected relief. The power engine was so small and it was found quite inconvenient to do both things at one time. So, we put our customers to a great inconvenience. To satisfy the customers, that being our trada tion, we purchased an 17 B. H. P. Oil engine. The engine which was driven from high-speed Diesel oil was not put to immediate use for non availability of oil in the market. we are put to a high loss.

We are the poineers in rice and oil crushing in Coondapoor and we did a yeoman service to the agriculturists. We made them self-conscious about economic conditions surrounding them and from 1945 onwards we are crushing at about 1,000 maunds of oil

from the agriculturists. So many have gained from our initiative. We have shown them the art of marketing by contacting them tothe actual consumers. In this connection our model farm has done a good amount of service to the agriculturists. Our way of pumping water tothe fields, our nursery farms, our cocoanut plantations have made so many people conscious of improvements and all additions of water pumps oil engines are but our self-induction in Coondapoor Taluk, the credit of which must fall to our share.

These are the silent achievements of our post-war reconstruction. Our next improvement goes to show the service we are rendering to the agriculturists. In 1948 a saw-bench was added to our Mill to make the work "Whole year". It did not give us the expected relief. In 1949 an additional service to the agriculturists was guaranteed by installing a sugarcane crushing machine, a system of sientific jaggery manufacture. The customers showed a keen interest and the whole year of 1948 was taken as an experimental one. The people are not machine minded and we serviced them on a cheep basis. We are the pioneers in this fieled in our taluk and our art of processing is being praised by the Superintendent of Govt. farms Coimbatore, and the Agricultural Sugarcane Demonstrator Coondapoor. For advertisement at this experimental stage we have led to face a severe loss.

CAUSES OF DETERIORATION: Several worth mentioning points made it difficult for us to run the Mill smoothly. Mismanagement stood first in the way of our smooth running of the Mill. Being strangers in the field the lackness in the management aggravated our position. People began to blackmail against us for paltry reasons because of which we could not take people into confidence and we became void of public sympathy.

The businessmen tried their level best in blackmailing our products. We did not find if possible to surmount the obstacle. This is really proved to be a hindrance to our progress. They added their edible oils with cheep oils by way of adulteration and tried to market their own products at cheaper rate. Because of the competition we are forced to wind up our business which was then at its infancy. So, the benefit of real trade was deprived to us. The matter was referred to the Chambers of Commerce and lastly to the Collector of South Kanara, but no action has been found to be taken by them. This is the period for the survival of the fittest and to overcome these obstacles Government must come to our rescue. Finance has proved to be a bottle-neck to our enterprise and this short-coming cannot be replaced by artificial means. Unless and until a long-term-loan is secured it is difficult to accomplish a stable economic environment. Planned schemes and work-outs are the prime necessities of the day. We are lacking in that respect. This has accelerated our deterioration in moneys. Planned schems if elaborately worked out will surely give fat dividends. The businessmen in colaboration with the local officials have tried to give us trouble as far as possible and there an a few instances where we are at the risk of losing our licence and some privileges at the hands of the local officials, but for the timely intervention of the Collector of South Kanara we are relieved. There are so many instances where we have been humiliated and have been surrendered to the local officials for their party feelings. The businessmen have reaped a good dividend in playing their tricks. This is a legacyleft behind it after these 4 or 5 years of transition. We are at the beginning or the end of deterioration and the only thing left to us is to cling to the Government support of perish. But before being perished, I would like to put forward these facts with all the solemnity and sincerity before the Government and requesting for a loan under these difficult period of depression to revitalise our concern. Some special features have been affiliated and so many things are to be done primarily depending upon this would be "favours"

SPECIAL FEATURES: The concern was started in the year 1945 when I was in the College in Mangalore. I passed my Inter of the Madras University in 1947. During the period because of my young age I did not take any interest in the concern. Naturally

my father took the advice of so many people which proved to be fateful in the end, mortgaged all the properties and invested the amount in the Mill. Each year was thought to be a promising one proved to be a fateful in the last. We are being led to believe the coming year to be a successful one. Hence the concern was managed and was running at a loss. In 1947 to our surprise our finances was dried and we have no other alternative. Soon after my education in 1947 I was forced to remain inside, contrary to my wish though it materialised, for I did not get a seet in the engineering College. So, I was forced to look at the affairs of the Mill although reluctantly. For the successive four years I did not get a seat in the College. Hence, concrete obstacles were placed on the way of my education and I being mature enough to look at things for myself I have come to these conclusions. But to be surprised I saw that all our properties have been mortgaged for the sake of the Mill and everything was in a fix. Being young enough I could not draw plans nor effectively manage the Mill. With an empty account I did not prove to be a good manager. In 1949 December 7, I took the power of attorney from my father and I took all the powers and became the first Chief Executive and attorney barely at the age of 21. By taking some hand loans from my sell-wishers and relatives I managed to run the Mill from 1947 to September 1950. Now I have become helpless and the state of affairs have been worsened. I have evolved an elaborate plan to reorganise the Mill on a sound footing for which I am applying for a loan to the Government. I will be sympathised for my state of affairs and I hope I will receive a sympathetic hearing in the hands of the Government. For I am placed at the mercy of the Government of Madras in these hard days of the syrvival of the fittest.

The only difficulty was the maintenance of accounts as such no provision has been made from the Balance Sheets They have not maintained any proper accounts from the beginning to the end. Therefore I am taking the officials into my confidence before giving these facts. In my opinion preparing a balance sheet of the previous year when there was no proper accounts is nothing but impossible and defective. So, I will request yon, Sir to believe to my facts sincerely and I will assure you of my highest regards and sincerity to the Government. So, I will request you to believe me in every word of my statements lest it will prove fatal to my ambition and shorten it.

Under these circumstances, I am requesting the Government of Madras Industries Dept., for a long-range loan of Rs. 35,000/- of 2 different natures. The one is for Rs. 25,000/- paid in 8 equal yearly instalments of Rs. 3,125/- and the other being for a Bank Cash Credit for Rs. 10,000/- for a period of 8 years at a low rate of interest. In view of our poor economic stability and poor resources, a low rate of interest will help to a great extent in consolidating our economic stability. The Bank's Cash Credit for Rs. 10,000/- will be in force for 8 years and at the end of it I am sure I am paying all my dues to the Government abiding by the restrictions imposed upon me. Sticking to any severe conditions I am prepared to undertake the loan.

THE AIMS AND OBJECTIVES: The main object of the loan is to stabilise our economic conditions and to draw out correct-full-scale plans and to maximise the output and to minimise the maintenance. Every possible precaution will be taken to see that nothing is spent on new undertakings but to work out effectively on the old machinery with some alternations. Pains will be taken to see more will be done and to run the Mill on a yearly basis. All useful suggestiont will be taken from the Government or from the Statutory bodies in respect of improvments and new undertakings will be started on sound advice and lay-out plans.

Provision will be made for good accounts and effective management will be ensured Good advestaisment will be made and full facilities will be given to market the agricultural products and to foster closer relations between the Governmbnt and the agriculturists. Farming will be popularised and active advice will be given to the needy. No restrictions or discrimination will be allowed in the Mill. Possible facilities will be

given to the cottage industries and especially in the rainy reason work will be given to the cottage Industries keeping in view of our financial soundness. Pains will be taken to take people into confidence and to evolve better relations between the producers and the manufacturers and lastly I am trying to get the best education out of these profit pools and provision will be made for them.

Every year a clean budget will be drawn and all items will be considered at a par with the Government's policy subject to the confirmation of the Director of Industries. I want to make this Mill an ideal one and every year a portion of the amount will be utilised for my education and reserve fund. I am trying to work out these plans with the aid of my brothers one is younger and the other is elder, both less educated than me.

During the course of this period I am managing this Mill personally or manage it through my brothers with full day-to-day instructions from me. My future education is depending upon the materialisation of this scheme. My would be education will be Bar-at-Law or any other course I like best. I am undertaking this serious job under great strain knowing before hand my weaknesses and limitations. I am undertaking this venture to our own existence, otherwise we will have an economic breakdown and we will perish, ultimately, and will meet an unnatural death.

I am justified in expressing my sincere hopes and aims and ambitions to the Government with full of forward looking thoughts and any humiliation will be received with great agony. Because of the economic policy of the Covernment and consequently of of the Reserve Bank of India, no Banks are advancing loans unless through the recommendation of Government. Under these circumstances I am forwarding this loan application to the Government. So, I am requesting to expedite the matter lest we fall rapidly by financial breakdown and our business collapse. The Mill is mortgaged to the Canara Banking Corporation Udipi for Rs. 6,000/- and all the cash memos and the documents are with them. After the preliminary is over and as soon as I hear the information from you I am sending you all the required documents with the title deeds and other allied things.

Myself being a young man of 23 I should be humbly excused if I am wrong in the way of handling the matter and I may be humbly excused and further advised in the matter. The paper should be carefully gone through and any doubts if exist, I am prepared to extend to you either written or by personal address. A chance should be given to me to address the August body while in Session. I am prepared to argue my case personally and I hope I am prepared to answer all the questions put to me by the members.

So, I request you, Sir, to consider this from all perspectives and to give me a cordial hearing for my loan application. Though it has some demerits I hope the authorities will let loose me with a note of warning and allow my dreams of youth to materialise. If loan is passed the instalments will be paid to the Government at the appointed date and on no occasion any excuses will be put forward by me, Any serious conditions will be undertaken regarding the prompt payment of the instalment.

FORM OF APPLICATION FOR AID UNDER THE STATE AID TO INDUSTRIES ACT, 19 2

(Madras Act No. V of 1923.)

(For instructions for filing up the form vide appendix)

1. *Name of the applicant and his full address:*

K. DEVARAJA NAYAK,
Chief Executive and attorney,
Laxmi Damodar Agricultural Industries,
Maddugudde, Post, Coondapoor, S. Kanara.

2. *Nature of the Industrial concern for which aid is sought:*

(i) Description of the goods manufactured:
Rice, Oil, Sawing, Jaggery, Flour and Coffe:powder.

(ii) Capital invested:
Rs. 30,000/- (Thirty thousand only).
Fixed: Rs. 25,000/- (Twentyfive thousand only).
Working Capital: Rs. 5000/- (Five thousand only).

(iii) Goods manufactured:

No.	Goods manufactured	Seasonal	Production	Remorks.
1.	Rice	do	100 muras per day nearly 12,000 muras of rice per season.	Subject to availability of work these items of work can be turned out per season or per year as the case may be Generally we do not
2.	Oil	do can be made whole year	75 tons of copra can be crushed per year.	get any work nor can produce anything for lack of funds. If work is guaranteed more work can be
3.	Sawing	do	3,000 cu.ft. per year	done by maximising the production by anhancing the working
4.	Jaggery	Seasonal	120 tons of jaggery every year.	hours without any harm to the machinery. This is the average capacity of production.
5.	Flour	Seasonal	50 tons of flour every year.	This can be maximised by 24 per cent of the work of production,
6.	Coffee-powder.	Whole year	3 tons per year.	without undue troubles of risk

(iv) Balance Sheets:
No. Balance Sheet and profit and loss accounts are not possible to send. Reasons I have given in these adjoining papers. Since these four years no business is being done. But it was worked on a hire basis. We have secured a gross profit of Rs. 2,500/- which is being fonnd impossible to maintain the Mill. The working of the Mill being a seasonal one we have to maintain workers on a yearly basis and the additional 6 months' maintenance makes us to bear a loss to the extent of Rs. 2,000/- which has been borne for the last 5 years. In the coming year business and profit is guaranted and the correct balance sheet and the profit and loss accounts will be sent to the Government audited by a certified auditor to the satisfaction of the Director of Industries.

3. The administrative, technical and executive staff existing or to be appointed with qualifications:

	Category:	Existing:	To be appointed
(i)	Administrative	2 My father & a paid one.	One*
(ii)	Technical	2 My 2 brothers.	Nil.
(iii)	Executive	1 Myself.	Nil.

*What this denotes is appointing administrative man is such having business experience of ten years to his credit and having a noble character and good behaviour, on a salary fixed by the Government.

4. The facilities available for the development of the Industry:

and 5. The nature of the processes to be employed:

No.	Goods manufactured.	Sources of Raw Materials.	Transport facilities.	Estimated and anticipated profits.	Nature of the processes to be employed,	Market
1.	Rice.	Paddy: Local.	River & road.	Rs. 2000/-	Huller-type	Local.

XX
30/

2.	Oil	Copra: Local, Mangalore & Calicut.	do	Rs. 3000/-	Rotary	Local & Mysore State.
3.	Sawing	Timber: Local Forest Dept.	do	Rs. 2,000/-	Saw-bench.	Local & Mangalore.
4.	Jaggery	Sugarcane: Local.	do	Rs. 2,500/-	Cane-crusher.	Local & Porbander.
5.	Flour	Grams Local	do	Rs. 1,000/-	Grinder	Local.
6.	Coffee powder	Coffee: Mangaloredo		Bs.1,000/-	Grinder	Local.

N. B. Transport facilities as follows: Road Long distance by lorry; short distance by bullock carts. Sea and river by country-crafts. This chart is one of anticipation. We have not yet done like this but I am hopeful and guaranteeing businss if loan is passed, subject to the satisfaction of the director of industries.

6. Details of plant and machinery installed or proposed to be installed at the works:

No.	Name of the machine or manufacturer's name and address equipment and size.		Date of purchase & cost	Condition: New or second-hand
1.	Huller No. 1, 1 polisher, Pulleys with blowers & some country-made spare parts and husk-exhaust pipes.	Botibhoi & Co., Coimbatore.	6-12-47 Rs. 1,200/-	2nd hand.
2.	a) Oil rotary.maximum size.	Navagiri-Oil Rotaries, Machinery Merchants, Bombay 4.	9-3-44 Rs. 1,200/-	do
	b) Copra-cutter	Local.	3 1-48 Rs. 400/-	New
3.	All cast-iron saw-bench with 4x2·½ft plating with stands and with a new local saw-sharpener and 5 blades with all fittings.	Dandekar's, Machinery Merchants, Satara.	2-10-48 Rs. 1,000/-	New.
4.	Cane-Crusher big size with all fittings.	Burn & Co., Howrah Calcutta.	11-10-49 Rs. 1,200/-	2nd hand.
5.	Allied boiling pans with store tanks pipes and forks.	Local country-made	Nov. '49. Rs. 700/-	New.
6.	Flour Grinder with all fittings.	Dandekar's, Satara.	9-4-48 Rs. 400/-	2nd hand.
7.	Coffee Roaster with grinder.	Botlibhoi & Co., Coimbatore.	10-6-50 Rs. 125/-	2nd hand.
8.	17-19 B. H. P. with 1" water pump and all fittings	Blackston & Co., Bombay.	9-10-47 Rs. 3,400/-	2nd hand.
9.	2-½" dia. shaft of 18ft and 4, 2-½" beaeings and 3 cast iron pulleys and one 14" fast and loose pulley.	Belgian make and local.	15-1-48 Rs. 760/-	2nd hand
10.	1" piston pnmp	English make	20-9-50 Rs. 250/-	New.
11.	Spare parts water tank - 2 - 100 gals capacity with 100 ft. galvanised pipes and 60 zinc sheets, 2 paddy boiling boilors and tools and a consignment of Rs. 400/- spare parts.	Local and also Batlibhoi & Co., Coimbatore.	Rs. 1,500/-	Some new & some old.

NOTE ON MACHINERY: When we were quite new to the world of machinery our new purchases made us suffer a heavy loss. We had the notion in general that the machinery was a costly affair and there are a few instances where we have paid Rs. 100/- for foundation bolts owing to iron scarcity. The machinery was purchased at a heavy cost than the prices prevalling in the market. Being new and unable to get the machinery from the direct importers we were put to a severe loss. Nobody has given us the correct memos, only on blank papere purposly to evade income-tax and sales tax. So, I will request you, Sir to believe me in what I am saying and help us in the matter in consolidating our position. In view of my young age and the context in which I am placed will really move the Members to a considerable extent and I hope I will be treated sympathetically looking to my miserable position.

6. (b) Machinery proposed to be Installed:

1. Oil Rotary is to be installed within a short period from any well-known makers, preferably a new one at an estimated cost of Rs. 1000/- (If more paddy is given to us for milling paddy separator will be purchased at a rough cost of Rs. 1800/-.

After depending upon the business trend and the money-market a proposal has been made for a tile factory at an estimated cost of Rs. 40,000/- on a ten year basis making a provision for the amount in the yearly profits beginning from 1951 onwards. It will take shape probably in September 1953. A capital amount of Rs. 4000/- will be invested on pug-mill and stamp-press, and another loan of Rs. 10,000/- will be raised for additional maintenance and working capital subject to the confirmation of the Director of Industries.

7. (a) Estimated cost of undertaking and probable time that will be occupied in its execution. (Details of recurring and non-recurring expenditure should be furnished seperately):

(i) Estimated non-recurring expenditure:

Particulars	Already incurred	Proposed to be incurred	Total
1. Land	Rs. 6,000/-	Rs. 1,000/-	Rs. 7,000/-
2. Buildings	Rs. 10,000/-	Rs. 1,000/-	Rs. 11,000/-
3. Machinery & Equipment	Rs. 12,130/-	Rs. 1,500/-	Rs. 13,630/-
4. Installations	Rs. 3,000/-	Rs. 500/-	Rs. 3,500/-
(TOTAL)	Rs. 31,130/-	Rs. 4,000/-	Rs. 35,130/-

Note: For mere repairs and for an engine room we have spent Rs. 10,000/-. The actual cost of the mill and the house now costs about Rs. 30,000/- according to present conditions.

7. (b) Estimated recuring expenditure per annum after the additions proposed above have been made:

1. Raw Materials and Stores		Rs. 1,000 0 0
2. Power and Fuel		Rs. 2,000 0 0
3. Labour		Rs. 3,000 0 0
4. Overheads		
Rent for Building	Rs. 100 0 0	
Expenses for management	Rs. 2000 0 0	
Advertisement	Rs. 200 0 0	
Interest on loans	Rs. 1500 0 0	
Depreciation	Rs. 1500 0 0	Rs. 5,300 0 0
TOTAL		Rs. 11,800 0 0

Note: In case of unforseen circumstances we are prepared to forego the management expediture and first provision will be made for the debts and instalments owed to the Government.

8. Aproximate number of operativse employed or to be employed:
Already employed: 3 men, to be employed 1.

9. Estimated net expenditure per annum in running the works:

Present expenditure:	Rs. 6,000/.
After loan is passed:	Rs. 11,800/-

10. Estimated net profits according:

Proforma Profit & Loss Accoout

	Income	Rs	As	Ps	Expenditure	Rs	As	Ps
1.	Rice Hulling wages	2,000	0	0	Raw materials	1,000	0	0
2.	Cocoanut Oil	7,000	0	0	Power aud Fuel	2,000	0	0
3.	Jaggery (wages)	2,500	0	0	Labour	3,500	0	0
4.	Sawing	2,000	0	0	Rent	100	0	0
5.	Flour	1,000	0	0	Management	2,000	0	0
6.	Coffee Powder	1,000	0	0	Interest on loans	1,500	0	0
7.	By hirect business & on comm.	2,000	0	0	Depreciation	1,500	0	0
					Advertisment	200	0	0
					Sundries	200	0	0
		17,500	0	0		12,000	0	0

showing a net profit of Rs. 5,500/-. Less first instalment 3,125, rupees 1,375 nett. If business is done carefully in the open market I am sure a get profit of 4% can be guaranteed on the total turnover of business.

11. Reasons why the business cannot be financed without State assistance:

If the loan for Rs. 25,000/- is passed the amount may be utilised as follows:

1.	Discharging the existing liabilities on land given as collateral security.	Rs. 6000	0	0
2.	Discharging the Bank's liability on the Mill given as security.	Rs. 6,000	0	0
3.	discharge personal liability i. e., pronotes aod personal loans.	Rs. 11,000	0	0
4.	To pay off any arrears in suspense, if any	Rs. 1,000	0	0
5.	In respect of purchasing the propesed machinery and its installations.	Rs. 1,000	0	0
		Rs. 25,000	0	0

Another Rs. 10,000/- secured by way of Bank Cash Credit will be utilised for business as working capital.

12. Nature extent of State aid applied for:

The particular clause of section 6 nnder which theaid is applied for should be stated. Sec. 6. "a" and "b" i. e.

A long term lon of Rs. 25,000/- and a Bank Cash Credit for Rs. 10,000/- as working Capital for the duration by 8 years. The amount of Rs. 25,000/- will be given by 8 yearly enstalments of Rs. 3,125/- execlusive of interest. The loan should be on cheep rate of interest and the liability will be discharged by 8 years. During this period of 8 years we should be given a Bank Cash Credit for Rs. 10,000/- in force for 8 years and after that period we are going to discharge the liability of both the Government and the Bank.

13. Discription of the property and the Mill offered as Security Plot No. 1 Mill. No. 2 to No. 11 Property enjoying all the Rights Self Cultivator- old Mulgeni.

Plot No.	S. No	Kisan	Extent	Assesment	Cocoanuts	Cash in Rs.	Rice	Rent payable to the land-lord by cash rice.	Net Rs.
I	208	1 Garden	0 69	4 2 0	1000	Nil.	5 muras	Rs. 12-0-0	208-0-0
	208	3 ,,	0 10	0 11 0					
II	212	6 Dry	0 76	3 13 0				No land-lord	
	212	7 Wet	0 16	0 8 0	Nil.	10-6-0	20 muras	Assesment paying	
	212	11 Dry	0 18	0 4 0				4-9-0	286-0-0
III	209	3 Wet	2 69	18 5 0					
	209	5 ,,	0 27	1 13 0					
	209	2 ,,	1 13	7 10 0	1000	Nil.	72 muras	12 muras and Rs. 12/-	978 0 0
	209	4 ,,	0 25	1 11 0					
	209	6 ,,	0 36	2 7 0					
IV	211	10 Garden	0 75	3 0 0	Nil.	Nil.	6 muras	7-0-0	77 0 0
V	205	5 ,,	0 23½	1 14 0					
	205	12 Wet	0 18½	1 2 0	500	Nil.	10 muras	22-12-0	192 4 0
	205	2 Garden	0 20	1 13 0					
	205	11 Wet	0 30	0 3 0					
VI	207	1 Garden	0 25	2 0 0					
	207	2 Wet	0 35	2 6 0	2000	Nil.	5 muras	21-5-0	353 11 0
	208	9 Garden	0 23	1 9 0					
VII	209	7 Wet	0 40	2 6 0	Nil.	Nil.	6 muras	7-0-0	77 0 0
	209	8 Wet	0 10	0 9 3					
VIII	212	8 Garden	0 21	1 4 0	1000	Nil.	Nil.	1-4 0	148 12 0
IX	212	9 Dry	0 33	0 5 0					
	212	12 Dry	0 16	0 3 0	Nil.	Nil.	10 muras	4 muras	84 0 0
X	211	6 Garden	0 18	1 8 0	Nil.	48-0-0	Nil.	4-12-0	43 4 0
IX	211	4 Garden	0 58	4 10 0	1000	Nil.	Nil.	4-10-0	145 6 0
		Total	10 55	68 12 0	6500	58-6-0	134 muras	16 muras & 57-4-0 by cash	2544 5 0

Net Income Rs. 2544-5-0

Plots No. 1, 2, 8 and 11 all Patta properties and the Rest old Moolgeni properties enjoying all the Rights. Self cultivaters. All properties under self Control and self acquisition.

PROPERTY INCOME.

Our Income: 6500 cocoanuts 134 muras of Rice and Rs. 58-6-0 by cash valuation is made by current Rate as 14 Rs. for 1 mura of Rice and Rs. 20 for 100 cocoanuts. Valuation made as Rs. 15 per 100. making our allowance of Rs. 5 towards depreciation and about Rile there will be no reduction of rate for the next 5 years. It coms to Rs.2544-0-0.

The rent we have to pay to the land lord: 16 muras of Rice and 57-4-0 by cash valued about 281-4-0. Actual Assesment to be paid by the land lord 68-12-0 The net profit land lord is accuring Rs. 212-8-0. If valued at 6% the right of his ownership costs Rs. 3500/- which is quit difficult to purchase now as he is not willing to give.

Note 1. The Income is shown as 134 muras of Rice net and Rs. 58-10-6 and 6500 cocoanuts. We have got two other crops of Black gram, horse gram and green gram which will fetch us 60 muras. It is quite sufficients for our maintenance and working cost and labour. Most of the work is done by us. Yearly we are selling about 350 Rs. worth of strow to the Public which is quite enough to meet the seasonal labour.

Note 2: The amount we pay to tne land lord is 16 muras of Rice and 57-4-0. The land lord is Sri Nagar Vaman Rao who is a big Zamindar. We are his old land holders having a standing of 13 years. He is unwilling to our request for autright sale of his rights to us from repeated requests. If pressed he says as the rate of 3% return which is quite high at the market rate. It is the declared policy of the Govt. that they are doing all the favourable legislations to the beterment of the Agriculturists. So we are not purchasing his rights.

Note 3: Tne properties I am mentioning is situated in such a position, wherein river is surounding it. It has road passing through it. The shipping dock is qute another side of the river only 3 Furlongs from our dock. It is is considered to be an ideal place for heavy Industries with all the Modern facilitibs i. e., labour water, Road, Sea and River and lastly ample space for improvements and extentions, compact block of 10 acres and 55 cents wherein we have our Mill, House, and farms.

VALUATION OF SECURITY.

Net value of the buildings:

1.	Mill, DWElling house, Jaggery manufacturing shed with machinery	Rs.	35,000	0 0
	Site Value es Mill and plot XI and IV	Rs.	20,000	0 0
2.	Income herived from No. 1 to 11 offered as security Rs. 9,331-13-0 per annum valution by 6%	Rs.	38,875	0 0
	(Note 3) Cost of site value in respect of item 4 1 to 11	Rs.	6,000	0 0
	TOTAL.	Rs.	99,875	0 0

This is the approximate valuation of the security offered. This is exclusive of goodwill and other previlages.

The Mill: The mill is facing to the sea in such a way that in front the road is terminated. On both sides of the Mill we will get the road river and the sea, an ideal mill for improvements with full of adjoining sites for developments. The Mill is 84 ft long 45 ft broad and having a peak height of 40 ft. The Mill is built on stone, cement and conerete.

House: The residential house is 50 ft long 30 ft broad and having a Jaggery preparation Shed: It is 30 ft long 20 ft braod and inside of it modern multipurposes furnace has been built at an estimated cost of Rs. 1700/- recently having 18 ft Chimney.

DESCRIPTION OF BUILDING

14. Nature and extent of applicant's right in the concern whether as co-sharer or proprietor or otherwise and his finencial resources: As the Chief Executive and Attorney and 3rd son to my father in succession and as a true heir to the estate and lastly as a manager of the family.

15. Nature and extent of the applicant's right to the property offered as security: Third son to my father and legal heir to the property and as the manager of the family.

16. Nature and extent of encumbrances on the immovable property offered as security primary or collaternal:

Rupees 6,000/- on the mill offered as security and Rs. 6,000/- on the property as collateral security.

17. Whether any arrears are due on the immoveable property offered as security primary or collateral and if so, the nature and extent of such arears: There may be some arrears, and I am sure it may not be more than Rs. 900/-. If loan is passed every clean receipts will be sent to the office for examintion.

18. Period within which and the number of instalments in which the applicant proposes to repay the loan:

Eight equal yearly instalments of Rs. 3125/- exclusive of interest.

19. Approximate additional net income expected to be earned as a result of the proposed expenditure:

Additional in-come expected to be earned as a result of the proposed experditure being Rs. 5,500/-.

20. If the application is from a Joint Stock Company the amount of capital actually subscribed and paid up and the number of shares held by each of the Directors and their salary and fees and other perquisites should be stated: Proprietory concern.

21. Any other remarks:

The Govt. of Madras in particular and all the Depts. are requested to go through my loan application with due understanding about the background I have annexed herein. Being Just 23 of age I am not a mature man to be flawless being known about my weaknesses and limitations I have ventured in applying for this loan. The relative papers may be sent on due information. After receipt of information encumbrances certicate with title deeds and certificates may be sent. I shall be sympathised for my position and further I may be given a chanc to address the Ministers personally. Expecting the deserved favour from the Government of Madras Industries Dept & Agricultural Dept.

DECLARATION: I, Kallianpur Devaraja Nayak son of K. Narasimha Nayak Chief Executive and Attorney of the abovesaid Mill declare that the statements made above are true to the best of my information and belief.

COONDAPOOR.
20-2-52.

(Sd.) ***K Devaraj Nayak,***
Chief Excutive and Attorney.

Copy to

1. The Governer of Madras, H. H. the Maharaja of Bhavanagar or Honble Sri Prakash
2. All Cabinet Ministers of the present care taker Govt.
3. The Director of Industries and Agriculture.
4. The Board of Revenue, Commissioner of civil supplies Food Prejuduction.
5. The state Planning Commission.
6. District Collector, Revenue Divisional officer Mangalore and Coondapoor.
7. Secretary, Devolopment Dept, Industries Dept, Economic Adviser, Finance Secretary, Agricultural Secretary, Food Secretary.

37.

Laxmi Damodar Agricultural Industries.

105732
17.9.52

Estd: 1945.

Madduguda, COONDAPOOR, S. K. S. India.

Rice Mills, Oil Mills, Saw Mills, Flour Mills, & Jaggery Manufacturers.

M.R.M.L. 6/48.

H. Devaraj Nayak.
Chief Executive & Attorney.

Lodged 7×6/18 P.M. 15/ 27-9-52

COONDAPOOR,
Date 15.9.1952.

To
The Development Secretary,
Govt. of Madras. Mad

UNDER SECRETARY
17 SEP 1952
DEVELOPMENT DEPARTMENT

29-3 K 20-7-52

Sir,

Dear Sir,

Sub: Development Loan.

p.194 (A) Ref: Governor's Offer. dtd. 2698/52 dtd 7.7.52.

pp 21-23 (A) I regret to say that my representation to the Governor on 27.6.52 has once again been forwarded to the Development Secretary to the Govt for the third time in succession.

Regarding the matter I have not got heard anything. So I beg of you to be good enough to give me the further action you have taken in the matter. After hearing from you, I became taking the further action in the matter.

Awaiting your information. Thanking you in anticipation.

Yours faithfully,
K. Devaraj Nayak

15/9.

Written under authority as the Chief Executive and Attorney. Exclusively for Governmental correspondences only. Papers signed by me only are genuine to guard against misuse of office papers and seal.

38

105732 D II/52

Dev: (D II) Dept.

U-S.

submitted for perusal of page 1 above. The application of Sri Nayak for State aid was rejected by Govt. as the Board of Industries did not recommended the rejection of the application as being ineligible for aid under Section 5 (1) (d) of the State Aid to Industries Act. The applicant may be informed that his application for loan has been rejected. A draft memo is submitted below for approval.

(After issue, the papers may be added to the G.O at (A)-1

p.17 ct (A)

'A' on p.1 ct (A)

In MS 2936, Dev. 10-7-52

DSR 22-9-52

29/9/52

Dev. (D II) Dept.

Memo No. 105732 D II / 52 - 1 dt. 22-9-1952

Issued 22.9.52

Sub: State Aid to Industries - Application from Laxmi Damodhar Agricultural Industries, Maddugudde for a loan of Rs. 25,000/- and a bank cash credit of Rs. 10,000/- Regarding.

Ref: From Sri K. Devaraj Nayak, letter dt. 15.9.52.

With reference to the letter cited, Sri K. Devaraj Nayak is informed that his application for a loan of Rs. 25,000/- and a bank cash credit of Rs. 10,000/- under the provisions of the State Aid to Industries Act has been rejected by Govt. as the Board of Industries recommended the rejection of the application as being ineligible

p.t.o.

₹ 40/

for aid under section 5 (1) (d) of the State Aid to Industries Act

To
Sri. K. Devaraj Nayak
Chief Executive and
Attorney, Laxmi
Damodar Agricultural
Industries,
Maddugudde,
Coondapoor,
South Kanara.

Dev. (D II) Dept.

State Aid to Industries - Laxmi Damodhar Agricultural Industries, Haddugudde - Application for a loan of Rs. 25,000/- and a bank cash credit of Rs. 10,000/-.

From the Bd's C No. SA. 3201/52 d/28.6.52.

C.No. 73527 D II/52

p. 1 ct

U.S.

In January 1951, Sri K. Devaraja Nayak Chief Executive and Attorney, Laxmi Damodha Agricultural Industries, Haddugudde, applied under the provisions of the State Aid to Industries Act for a loan of Rs. 25,000 and a Bank Cash Credit of Rs. 10,000/- for discharge of existing liabilities, for purchase of an oil rotary and for use as working capital. The applicant company is engaged in rice milling, oil milling, saw milling, Jaggery manufacturing etc.,. The application was considered by the Board of Industries at its meeting held on 27-3-1951 and the Board considered that there were no reasons to justify grant of aid to the industries run by the applicant which are old and established. The Board therefore recommended the rejection of the application under Section 5 (1) (d) of the State Aid to Industries Act. The Govt. accepted the recommendation of the Board and the application was rejected.

pp 15-23 ct (E) GO No 1765, Dev 17-4-51

A'cn p 15 ct (E)

p 5 ct (E)

- do -

✓ p 4 of the A.R.

p 25 ct (E)

Subsequently, the applicant made an appeal to Govt. for reconsideration of his application and for the grant of the loan and the Bank Cash credit. The applicant was advised to apply to the

bp 29-31 ct (E)

Nil 1.10.53 ct (E) Dev notes

p.t.o

v/

BI&C again for a loan, adducing special reasons, if any, for the grant of State aid. The applicant has accordingly applied to the BI&C for the grant of a loan of Rs. 25,000/- and a Bank cash credit of Rs. 10,000/- The reasons adduced by the applicant for the grant of aid will be found at 'A' on p.3 of. The application was considered by the Board of Industries at its meeting held on 20-6-1952 and the Board has recommended the rejection of the application as being ineligible for aid as per the provisions ~~of the~~ under section 5(1)(d) of the Act.

Under section 8(5) of the State Aid to Industries Act, the Govt. cannot grant aid to any industrial enterprise if the Board recommends the rejection of an application. In the circumstances, for orders whether the application from Laxmi Damodar Agricultural Industries may be rejected. Subject to orders, a draft order is submitted below for approval.

(Issued as G.O.Ms.No. 2936 Dev. d/10.7.52)